

# Out of State Medigap Policies



Senior Health Insurance  
Information Program

## Ask SHIIP

Doris Higgins  
Regional Program Manager

**Q:** I have a chance to buy a Medigap policy through my former employer. Why is the insurance company not on the list of companies approved to sell Medigap policies in Indiana?

**A:** Employers, unions, and some associations may purchase a Medigap (also known as Medicare Supplemental Insurance) group policy for their employees, former employees, or members from an insurance company. In the case of a group policy, the employer, union, or organization owns the policy and has the contract with the insurance company. You will have what is called a certificate of coverage. The Medigap group policy is governed by the laws of the state in which the employer, union or association is located, and may also be governed by federal law. Therefore, they might not be licensed in the state where you live.

Organizations, unions, and employers may also bargain with insurance companies to offer you a special price on an individual Medigap policy. In

this case, you own the policy and the insurance company must be authorized to sell in the state where you live. The difference is whether you own the policy or the employer, former employer, union, or organization does.

It is important that you understand the type of insurance your employer or former employer is offering. Is the company offering you general health insurance, or are they offering a Medigap (Medicare Supplemental Insurance) policy?

Medigap policies are designed to work with Medicare. With general health insurance you need to talk to the company's benefits coordinator to clarify how the medical coverage will work with Medicare. There may be deductibles and co-pays they will not cover. On the other hand, they may offer extra benefits such as prescription and dental coverage not covered by Medicare and most Medigap policies.

**Q:** I received a postcard in the mail from an insurance company offering Medigap policies. They are not on the list of companies licensed to sell in Indiana. Can I buy a policy from them?

**A:** Insurance companies, like other companies, do mass mailings. Especially if you live in an area bordering another state, you may receive information about an

insurance policy that it is not available to you if the company is not licensed to sell in your state.

When talking to an agent or insurance company about purchasing a Medigap policy, you need to ask whether or not the agent and the company are licensed in the state where you live. If the agent has trouble answering this question, or avoids it, that should be a red flag to verify their credentials. Contact the Indiana Department of Insurance at 1-800-622-4461 if you wish to check out an agent and/or the company the agent is representing.

If you are approached by an agent to purchase a policy from a company not licensed to sell in the state where you live, please contact the Indiana Department of Insurance. This is illegal and should be reported. Remember, the insurance industry is highly regulated to protect **YOU** the consumer. If you have any questions about your rights and protections please call SHIIP at 1-800-452-4800 or the Indiana Department of Insurance 1-800-622-4461.

### Address your questions to:

Ask SHIIP  
311 W. Washington Street  
Ste. 300  
Indianapolis, IN 46204  
1-800-452-4800  
Or [higgins@qtm.net](mailto:higgins@qtm.net)  
Call SHIIP for a free list of  
companies licensed to sell  
Medigap Insurance.

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.